



***REPORT TO THE  
COMPTROLLER GENERAL  
OF THE UNITED STATES***

**Audit Of The Financial Statements  
Of The United States  
General Accounting Office  
Fiscal Year 1971**

***BY THE WASHINGTON REGIONAL OFFICE  
FIELD OPERATIONS DIVISION  
UNITED STATES  
GENERAL ACCOUNTING OFFICE***

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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON REGIONAL OFFICE  
FIFTH FLOOR  
803 WEST BROAD STREET  
FALLS CHURCH, VIRGINIA 22046

Dear Mr. Staats:

We have made an audit of the financial statements and accounts of the U.S. General Accounting Office, Washington, D.C., for the fiscal year ended June 30, 1971. Our audit was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As in prior years, the financial statements of the General Accounting Office involve the status of appropriation accounts only and do not show the cash on hand, receivables, and the transactions resulting from the collection activities of the Claims and Transportation Divisions. Funds collected by these Divisions are either deposited with the Treasury Department as miscellaneous receipts or made available for the use of the governmental agencies whose activities gave rise to the claims. Also, with minor exceptions, the statements do not include costs relating to occupancy of office space by the General Accounting Office. These costs, which include rent, depreciation, utilities, and ordinary repairs and maintenance, are borne by the General Services Administration. For fiscal year 1970, the most recent year for which information was available, these costs totaled \$817,577.

In our opinion, the accompanying financial statements, schedules 1 through 4, present fairly the financial position of the appropriation accounts of the General Accounting Office at June 30, 1971, and the income and expenses and sources and applications of funds during the year then ended, in accordance with principles and standards of accounting prescribed by the Comptroller General of the United States, applied on a basis consistent with that of the preceding year.

Sincerely yours,

*H. L. Krieger*

H. L. Krieger  
Regional Manager

The Honorable Elmer B. Staats  
Comptroller General  
of the United States

FINANCIAL STATEMENTS

U.S. GENERAL ACCOUNTING OFFICE  
STATEMENT OF ASSETS, LIABILITIES, AND INVESTMENT  
JUNE 30, 1971

## ASSETS

Funds in U.S. Treasury:		
Appropriated funds	\$4,108,889	
Deposit funds	<u>800,796</u>	\$4,909,685
Cash on hand and in transit		213
Employees' travel advances		435,569
Accounts receivable		97,584
Inventories of supplies		94,871
Furniture, fixtures, and equipment	2,925,807	
Less: Accumulated depreciation	<u>1,580,349</u>	1,345,458
Legal library books		144,000
Prepaid expenses		<u>18,611</u>
Total assets		<u>\$7,045,991</u>

## LIABILITIES AND INVESTMENT

Accounts payable		\$2,607,132
Accrued liabilities		1,285,964
Funds held for others, principally employees' tax and other payroll deductions		800,796
Liability for accrued annual leave of employees	\$5,832,898	
Less: Amount to be financed by future appropriations	<u>5,832,898</u>	<u>-</u>
Total liabilities		4,693,892
Investment of U.S. Government (schedule 2)		<u>2,352,099</u>
Total liabilities and investment		<u>\$7,045,991</u>

## U.S. GENERAL ACCOUNTING OFFICE

## SUMMARY OF CHANGES IN INVESTMENT OF UNITED STATES GOVERNMENT

FISCAL YEAR ENDED JUNE 30, 1971

Balance, June 1, 1970		\$ 1,639,570
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## Add:

Legal library books (not previously included in investment of U.S. Government)	\$ 144,000	
Appropriation for salaries and expenses, 1971	79,987,364	
Reimbursements	<u>131,187</u>	<u>80,262,551</u>
Total		81,902,121

## Deduct:

Operating expenses, 1971 (schedule 3)	79,753,637	
Less: Amount of annual leave earned by employees and included in operating expenses, which will be financed by future appropriations	-474,999	
Unobligated balance of 1971 appropriation lapsed	156,451	
Funds returned to Treasury because obliga- tions for prior year orders exceeded cost or were recovered	<u>114,933</u>	<u>79,550,022</u>
Balance, June 30, 1971		<u>\$ 2,352,099</u>

## Composition of balances:

Investment in:	<u>July 1, 1970</u>	<u>June 30, 1971</u>
Inventories of supplies	\$ 64,010	\$ 94,871
Furniture, fixtures, and equipment	1,164,920	1,345,458
Legal library books	-	144,000
Funds reserved for payment of unfilled orders	<u>410,640</u>	<u>767,770</u>
Total	<u>\$ 1,639,570</u>	<u>\$ 2,352,099</u>

U.S. GENERAL ACCOUNTING OFFICE

SUMMARY OF OPERATING EXPENSES FOR THE FISCAL YEAR ENDED

JUNE 30, 1971

	<u>Total</u>
Office of the Comptroller General	\$ 791,013
Office of the General Counsel	3,430,287
Office of Administrative Services	2,334,181
Office of Personnel Management	978,230
Office of Policy and Special Studies	2,585,065
Civil Division	11,771,694
Defense Division	6,350,016
International Division:	
Washington, D.C.	2,978,614
European Branch	1,817,750
Far East Branch	2,067,357
Field Operations Division	33,684,711
Claims Division	1,706,192
Transportation Division	8,669,302
Data Processing Center	<u>589,225</u>
 Total	 <u>\$79,753,637</u>
 Reconciliation of accrued expenditures for year with total expenses:	
 Accrued expenditures	 \$79,490,037
 Add:	
Increase in accrued annual leave liability	 474,999
Depreciation of furniture, fixtures, and equipment	 178,503
 Deduct:	
Purchase of furniture, fixtures, and equipment	 -359,040
Increase in inventory of supplies	<u>-30,862</u>
 Operating expenses	 <u>\$79,753,637</u>

SCHEDULE 3

<u>Salaries</u>	<u>Employee benefits</u>	<u>Travel</u>	<u>Other</u>
\$ 689,812	\$ 53,907	\$ 19,477	\$ 27,817
3,034,247	243,639	14,077	138,324
1,758,585	221,906	14,290	339,400
785,169	53,677	47,491	91,893
2,187,015	188,362	58,747	150,941
10,316,715	847,108	311,357	296,514
5,543,274	450,670	185,951	170,121
2,508,219	209,057	181,999	79,339
1,093,380	143,069	224,318	356,983
1,299,621	227,127	320,163	220,446
27,107,846	2,243,716	3,588,393	744,756
1,538,829	124,348	1,546	41,469
7,767,242	635,055	28,076	238,929
390,358	31,533	901	166,433
<u>\$66,020,312</u>	<u>\$5,673,174</u>	<u>\$4,996,786</u>	<u>\$3,063,365</u>

U.S. GENERAL ACCOUNTING OFFICE  
SUMMARY OF SOURCES AND APPLICATION OF FUNDS  
FISCAL YEAR ENDED JUNE 30, 1971

## Sources of funds:

Appropriation for salaries and expenses, 1971	\$79,987,364
Reimbursements	131,187
Funds carried over from preceding year to pay for orders placed in that year but filled in the current year	410,640
Receipts for audit services	388,602
Other receipts	<u>53,486</u>
Total	<u><u>\$80,971,279</u></u>

## Application of funds:

Accrued expenditures:		
Expenses	\$79,130,997	
Purchase of furniture, fixtures, and equipment	<u>359,040</u>	\$79,490,037
Funds reserved at the yearend for payment of unfilled orders		767,770
Unobligated balance of 1971 appropriation lapsed		156,451
Funds returned to Treasury because obliga- tions for prior year orders exceeded cost or were recovered		114,933
Receipts deposited in U.S. Treasury		<u>442,088</u>
Total		<u><u>\$80,971,279</u></u>